

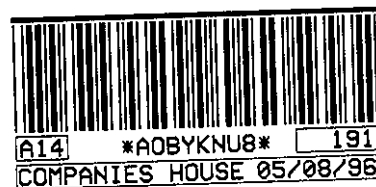
Registered in England and Wales No 860646

452 MOTOR COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 NOVEMBER 1995



RAFTERY & CO  
Chartered Accountants  
Registered Auditor

Marlborough House  
Warwick Road  
Solihull  
West Midlands  
B91 3DA

A member of the UK200 Group of practising Chartered Accountants

452. MOTOR COMPANY LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their Report and the financial statements of the company for the year ended 30 November 1995.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**ACTIVITIES**

The principal activities of the company are those of Motor Agents and Engineers.

**REVIEW OF THE BUSINESS**

The directors regard the trading results as satisfactory in a market place where trading continues to be difficult. The new car retail sales continue to be below expectations and margins were under pressure but were compensated by increased profit and volume in used cars, particularly the nearly new sector. Other departments continued to improve their contribution. The approval of the body shop as a Vauxhall accident repair centre, and the need for extra space, prompted the closure of the recovery department, with the expected business from the AA contract not having materialised. Gaining the BSI ISO9002 accreditation and Vauxhall's major training initiative left their mark on the general overhead costs.

452 MOTOR COMPANY LIMITED  
REPORT OF THE DIRECTORS (CONTINUED)

**FINANCIAL RESULTS**

Details of the results for the year are set out in the profit and loss account on page 4. The state of affairs of the company is set out in the balance sheet on page 5 and is considered by the directors to be satisfactory.

The directors proposed and paid a dividend of £5,000 during the year. The retained profit after dividend of £28,247 (1994 : £61,073) was transferred to reserves.

**TANGIBLE FIXED ASSETS**

The movements in tangible fixed assets during the year are set out in Note 6 to the financial statements.

**DIRECTORS**

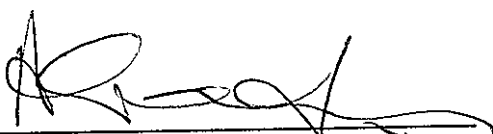
The Directors who served during the year and their interests in the £1 ordinary shares of the company are as follows:

	<u>No of Shares</u>
	<u>At 30 November 1995 and 1994</u>
J R Craven-Jones	28,875
Mrs J A Craven-Jones	28,875
R Craven-Jones	9,625
A Craven-Jones	9,625

**AUDITORS**

The Auditors, Raftery & Co., have indicated their willingness to accept re-appointment under section 385A(2) of the Companies Act 1985.

BY ORDER OF THE BOARD

  
A Craven-Jones - Secretary

364 Chester Road  
Castle Bromwich  
Birmingham  
B36 0LD

REPORT OF THE AUDITORS, RAFTERY & CO  
TO THE MEMBERS OF  
452 MOTOR COMPANY LIMITED

We have audited the financial statements set out on pages 4 to 16, which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 7 to 8.

**Respective responsibilities of directors and auditors**

As described in the Report of the Directors the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Audit Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 November 1995 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Raftery & Co*

RAFTERY & Co  
Chartered Accountants  
Registered Auditor  
Marlborough House  
Warwick Road  
Solihull  
West Midlands  
B91 2DA

1 May 1996

452 MOTOR COMPANY LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 30 NOVEMBER 1995

	<u>Notes</u>	Continuing Operations <u>1995</u> £	Discontinued Operations <u>1995</u> £	Total <u>1995</u> £	Total <u>1994</u> £
Turnover	1(b)	11,785,707	23,014	11,808,721	10,878,842
Cost of Sales		(10,380,623)	(30,670)	(10,411,293)	(9,557,357)
Gross Profit		1,405,084	(7,656)	1,397,428	1,321,485
Administrative Expenses		(1,186,577)	(15,395)	(1,201,972)	(1,109,185)
Operating Profit	3	218,507	(23,051)	195,456	212,300
Profit/(Loss) on sale of Fixed Assets		531	(8,150)	(7,619)	(953)
Profit on Ordinary Activities before Interest		<u>219,038</u>	<u>(31,201)</u>	<u>187,837</u>	<u>211,347</u>
Interest payable and similar charges	2			(142,471)	(110,861)
Profit on Ordinary Activities before Taxation				45,366	100,486
Tax on Profit on Ordinary Activities	5			(12,119)	(26,080)
Profit on Ordinary Activities after Taxation				33,247	74,406
Dividend				<u>5,000</u>	<u>13,333</u>
Profit for the Financial Year				28,247	61,073
Retained Profit brought forward				<u>270,163</u>	<u>209,090</u>
Retained Profit carried forward				£ 298,410	£ 270,163

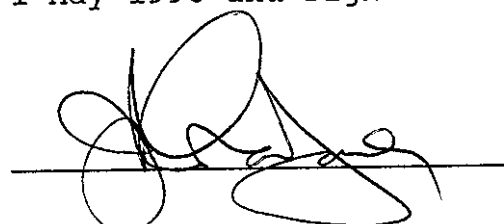
The only recognised gain for the year is the profit for the year of £28,247. (1994: £61,073).

The attached notes form part of these financial statements

452 MOTOR COMPANY LIMITEDBALANCE SHEETAT 30 NOVEMBER 1995

	Notes	1995 £	1994 £
<b>FIXED ASSETS</b>			
Tangible Assets	6	1,204,972	1,211,558
Investments	7	<u>100</u>	<u>100</u>
		1,205,072	1,211,658
<b>CURRENT ASSETS</b>			
Stocks	8	687,634	777,012
Debtors	9	567,516	425,592
Cash in hand and at bank		<u>1,100</u>	<u>1,100</u>
		1,256,250	1,203,704
Creditors: Amounts falling due within one year	10	( <u>1,281,607</u> )	( <u>1,216,010</u> )
Net Current Liabilities		( <u>25,357</u> )	( <u>12,306</u> )
Total Assets less current liabilities		1,179,715	1,199,352
Creditors: Amounts falling due after more than one year	11	( 420,973)	( 466,157)
Provision for Liabilities and Charges	14	( <u>22,000</u> )	( <u>24,700</u> )
NET ASSETS		£ <u>736,742</u>	£ <u>708,495</u>
<b>CAPITAL AND RESERVES</b>			
Called up Share Capital	12	77,000	77,000
Revaluation Reserve	13	361,332	361,332
Profit & Loss Account		<u>298,410</u>	<u>270,163</u>
Shareholders' Funds	15	£ <u>736,742</u>	£ <u>708,495</u>

The financial statements were approved by the directors on  
1 May 1996 and signed on behalf of the Board by:

 Director

The attached notes form part of these financial statements

452 MOTOR COMPANY LIMITEDCASHFLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 1995

	1995		1994	
	£	£	£	£
Net cash inflow from operating activities (Note 18)		211,377		164,846
Returns on investment and servicing of finance:				
Dividend paid	( 5,000)		( 13,333)	
Interest paid	( <u>142,471</u> )		( <u>110,861</u> )	
		( <u>147,471</u> )		( <u>124,194</u> )
		63,906		40,652
Taxation:				
Tax paid		( 24,319)		( 18,580)
Investing activities:				
Payments to acquire tangible fixed assets	( 74,677)		(136,609)	
Investment in subsidiary undertaking	-		( 100)	
Receipts from sales of tangible fixed assets	<u>40,750</u>		<u>6,500</u>	
		( <u>33,927</u> )		( <u>130,209</u> )
Net cash inflow/(outflow) before financing		5,660		(108,137)
Financing:				
New loan	400,000		-	
Increase in loan repayable 2002	-		50,000	
New HP agreements undertaken during the year	5,310		97,442	
Repayment of amounts borrowed	(373,455)		( 34,989)	
Repayment of capital element of HP agreements	( <u>52,489</u> )		( <u>63,370</u> )	
		( <u>20,634</u> )		<u>49,083</u>
Decrease in cash and cash equivalents (Note 19)		£( <u>14,974</u> )		£( <u>59,054</u> )

452 MOTOR COMPANY LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 30 NOVEMBER 1995

## 1. ACCOUNTING POLICIES

## a) Basis of preparation of the financial statements

The financial statements have been prepared under the historical cost accounting convention as modified by the revaluation of certain freehold property, and in accordance with applicable Accounting Standards. The results of the subsidiary undertaking have been excluded on the grounds that they are not material to the results of the group as a whole. No consolidated accounts have therefore been prepared.

## b) Turnover

Turnover represents amounts receivable, net of value added tax, in respect of external sales in the ordinary course of business and hire purchase commission, all of which were made in the UK.

## c) Stocks

Stocks have been valued at the lower of cost and net realisable value. Stocks held on consignment are excluded from the accounts until title thereto passes to the company.

## d) Fixed assets

Tangible assets are depreciated over their estimated useful lives. The following depreciation rates are used:

Freehold property	0%
Garage equipment	10% Reducing balance basis
Furniture, fixtures and office equipment	7.5% Straight line basis
Motor vehicles	25% Straight line basis
Computer equipment	15% Straight line basis

It is company policy to maintain its freehold property in a good state of repair. There is currently no significant diminution in value of the company's freehold property and no depreciation is therefore provided in the accounts.

## e) Interest charges

Interest charges on loans and hire purchase agreements are spread over the period of the loan or agreement in proportion to the balance outstanding.

## f) Operating leases

Charges on operating leases are spread over the period of the lease on a straight line basis.



452 MOTOR COMPANY LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 30 NOVEMBER 1995

## 1. ACCOUNTING POLICIES (Continued)

## g) Deferred taxation

Taxation deferred by capital allowances and other timing differences is provided to the extent that, in the opinion of the directors, any liability will crystallise in the foreseeable future.

## h) Pension costs

Pension costs are charged in the profit and loss account in the period to which they relate.

## 2. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
On bank loans and overdrafts whenever repayable and other loans wholly repayable within five years	51,169	44,972
Hire purchase interest	6,749	9,059
Other interest	<u>84,553</u>	<u>56,830</u>
	<u>£142,471</u>	<u>£110,861</u>

## 3. OPERATING PROFIT

## a) The operating results are analysed as follows:

	<u>Continuing</u>	<u>Discontinued</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Year ended 30 November 1995			
Turnover	<u>11,785,707</u>	<u>23,014</u>	<u>11,808,721</u>
Cost of sales	<u>10,380,623</u>	<u>30,670</u>	<u>10,411,293</u>
Administrative expenses	<u>1,186,577</u>	<u>15,395</u>	<u>1,201,972</u>
Operating Profit/(loss)	<u>218,507</u>	<u>(23,051)</u>	<u>195,456</u>
Year ended 30 November 1994			
Turnover	<u>10,849,100</u>	<u>29,742</u>	<u>10,878,842</u>
Cost of sales	<u>9,537,325</u>	<u>20,032</u>	<u>9,557,357</u>
Administrative expenses	<u>1,105,965</u>	<u>3,220</u>	<u>1,109,185</u>
Operating Profit	<u>205,810</u>	<u>6,490</u>	<u>212,300</u>

452 MOTOR COMPANY LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 30 NOVEMBER 1995

	<u>1995</u> £	<u>1994</u> £
b) The operating profit is stated after charging the following amounts:		
Depreciation - Owned assets	26,430	34,711
- Assets subject to hire purchase agreements	9,202	18,937
Auditors' remuneration	6,250	6,250
Directors' emoluments	207,834	197,547
Hire of equipment	6,971	6,712
c) The chairman's remuneration	53,251	46,000
The remuneration of the highest paid director	53,251	46,000
The remuneration of the other directors was in the following scale:		
	<u>Number</u>	<u>Number</u>
£25,001 - £30,000	1	1
£35,001 - £40,000	-	2
£40,001 - £45,000	2	-

452 MOTOR COMPANY LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 30 NOVEMBER 1995

## 4. EMPLOYEES

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Employment costs were as follows:		
Wages and salaries	799,544	731,993
Social security costs	78,340	74,464
Pension and other costs	<u>50,007</u>	<u>52,309</u>
	<u>£927,891</u>	<u>£858,766</u>

The average number of employees  
(including directors) was as follows:

	<u>Number</u>	<u>Number</u>
Administration	16	14
Garage staff	<u>35</u>	<u>35</u>
	<u>51</u>	<u>49</u>

## 5. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge, which is based on the  
profit for the year, comprises the  
following:

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
UK corporation tax @ 25%	15,000	24,500
Prior year adjustment	( 181)	80
Deferred tax	<u>( 2,700)</u>	<u>1,500</u>
	<u>£12,119</u>	<u>£26,080</u>

452 MOTOR COMPANY LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 30 NOVEMBER 1995

## 6. TANGIBLE ASSETS

	Free- hold Pro- perty £	Motor Veh- cles £	Furniture Fixtures & Office Equip- ment £	Garage Equip- ment £	Comp- uter Equip- ment £	Total £
COST OR VALUATION						
At 1 December 1994	932,621	43,151	161,832	227,306	99,479	1,464,389
Additions	31,623	21,400	409	15,738	5,507	74,677
Disposals	-	(56,051)	-	(1,095)	-	(57,146)
At 30 November 1995	<u>964,244</u>	<u>8,500</u>	<u>162,241</u>	<u>241,949</u>	<u>104,986</u>	<u>1,481,920</u>
At Valuation (1989)	37,500	-	-	-	-	37,500
At Valuation (1990)	550,000	-	-	-	-	550,000
At Valuation (1991)	175,000	-	-	-	-	175,000
At Cost	<u>201,744</u>	<u>8,500</u>	<u>162,241</u>	<u>241,949</u>	<u>104,986</u>	<u>719,420</u>
	<u>964,244</u>	<u>8,500</u>	<u>162,241</u>	<u>241,949</u>	<u>104,986</u>	<u>1,481,920</u>

## DEPRECIATION

At 1 December 1994	-	12,689	89,059	86,359	64,724	252,831
Charge for the year	-	(613)	5,791	15,432	12,284	32,894
On Disposals	-	(8,401)	-	(376)	-	(8,777)
At 30 November 1995	<u>-</u>	<u>3,675</u>	<u>94,850</u>	<u>101,415</u>	<u>77,008</u>	<u>276,948</u>

## NET BOOK VALUE

At 30 November 1995	<u>964,244</u>	<u>4,825</u>	<u>67,391</u>	<u>140,534</u>	<u>27,978</u>	<u>1,204,972</u>
At 1 December 1994	<u>932,621</u>	<u>30,462</u>	<u>72,773</u>	<u>140,947</u>	<u>34,755</u>	<u>1,211,558</u>

If the company's freehold property had not been revalued, it would have been included at the following amount in the balance sheet:

	1995 £	1994 £
Cost	<u>£602,912</u>	<u>£571,289</u>
Depreciation	<u>£ -</u>	<u>£ -</u>

Included in the total net book value of tangible fixed assets held at 30 November 1995 was £70,884 in respect of assets held under finance leases and hire purchase agreements (1994: £143,727).

452 MOTOR COMPANY LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 30 NOVEMBER 1995

## 7. INVESTMENTS

The company owns 100% of the issued share capital of 452 Fleet Management Limited, a company incorporated in England and Wales. This company was dormant during the year.

## 8. STOCKS

	<u>1995</u> £	<u>1994</u> £
Parts and accessories stock	140,304	126,671
Motor vehicles	<u>547,330</u>	<u>650,341</u>
	<u>£687,634</u>	<u>£777,012</u>

## 9. DEBTORS

	<u>1995</u> £	<u>1994</u> £
Trade debtors	487,272	402,037
Other debtors	55,170	11,386
Prepayments and accrued income	<u>25,074</u>	<u>12,169</u>
	<u>£567,516</u>	<u>£425,592</u>

Included within other debtors are amounts due from directors of £12,637 (1994: £Nil). The amounts outstanding by individual directors are as follows:

	£
J R Craven-Jones	2,647
A Craven-Jones	4,995
R Craven-Jones	<u>4,995</u>
	<u>£12,637</u>

The above amounts represent the maximum outstanding during the year.

452 MOTOR COMPANY LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 30 NOVEMBER 1995

## 10. CREDITORS: Amounts falling due within one year

	<u>1995</u>	<u>1994</u>
	£	£
Bank loans and overdrafts	296,647	288,640
Payments on account	16,109	16,358
Trade creditors	314,391	175,714
Stocking loans	461,216	533,247
Corporation tax	15,000	24,500
Taxation and social security	98,041	113,032
Hire purchase liability	19,860	39,218
Accruals and deferred income	19,693	25,301
Other creditors	<u>40,650</u>	<u>-</u>
	<u>£1,281,607</u>	<u>£1,216,010</u>

Secured Liabilities

At 30 November 1995, the aggregate amount of liabilities secured on the company's assets amounted to £316,507 (1994: £327,858).

## 11. CREDITORS: amounts falling due after more than one year

	<u>1995</u>	<u>1994</u>
	£	£
Bank loans and overdrafts	370,271	336,759
Hire purchase liability	20,702	48,523
Other creditors	30,000	37,800
Director's loan	<u>-</u>	<u>43,075</u>
	<u>£420,973</u>	<u>£466,157</u>

Loans

Amounts repayable by instalments over periods of between five and ten years, with interest at 2.5% over bank base rate

	<u>1995</u>	<u>1994</u>
	£	£
Repayable within five years	164,565	192,433
Repayable after five years	205,706	144,326

Secured Liabilities

At 30 November 1995, the aggregate amount of liabilities secured on the company's assets amounted to £390,973 (1994: £385,282).

452 MOTOR COMPANY LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 30 NOVEMBER 1995

## 12. SHARE CAPITAL

	<u>1995</u> £	<u>1994</u> £
Authorised:		
100,000 ordinary shares of £1	£100,000	£100,000
Allotted, called up and fully paid:		
77,000 ordinary shares of £1	£ 77,000	£ 77,000

## 13. REVALUATION RESERVE

	<u>1995</u> £	<u>1994</u> £
Balance at 1 December 1994 and 30 November 1995	£361,332	£361,332

## 14. PROVISION FOR LIABILITIES AND CHARGES

	<u>Deferred Taxation</u> £
Balance at 1 December 1994	24,700
Transfer to profit and loss account	( 2,700)
Balance at 30 November 1995	£22,000

The amount provided and the total potential liability for deferred taxation, calculated on the liability method, is as follows:

	<u>1995</u>		<u>1994</u>	
	<u>Provided</u> £	<u>Potential</u> £	<u>Provided</u> £	<u>Potential</u> £
Accelerated capital allowances	22,000	22,000	24,700	24,700
Arising from revaluation of property	—	42,200	—	46,400
	£22,000	£64,200	£24,700	£71,100

452 MOTOR COMPANY LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 30 NOVEMBER 1995

## 15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1995</u> £	<u>1994</u> £
Profit for the financial year	33,247	74,406
Dividends	( 5,000)	(13,333)
Net addition to shareholders' funds	28,247	61,073
Opening shareholders' funds	<u>708,495</u>	<u>647,422</u>
Closing shareholders' funds	<u>£736,742</u>	<u>£708,495</u>

## 16. LEASING COMMITMENTS

The company had operating lease commitments at 30 November as follows:

	<u>1995</u> £	<u>1994</u> £
Date of lease termination:		
Within one year	22,286	5,000
In second to fifth years inclusive	6,910	1,756

## 17. PENSIONS

The company operates three money purchase pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge in the profit and loss account represents contributions paid by the company to the funds and amounted to £38,000 (1994: £44,291). There are contributions outstanding at the year end of £15,000 (1994: £Nil).

## 18. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>1995</u> £	<u>1994</u> £
Operating profit before interest	187,837	211,347
Depreciation	32,894	53,648
Loss on sale of fixed assets	7,619	953
Decrease/(increase) in stocks	89,378	(106,107)
(Increase) in debtors	(141,924)	( 64,045)
Increase in creditors	<u>35,573</u>	<u>69,050</u>
Net cash inflow from operating activities	<u>£211,377</u>	<u>£164,846</u>



452 MOTOR COMPANY LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 30 NOVEMBER 199519. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS  
DURING THE YEAR

	£
Balance at 1 December 1994	(239,432)
Net cash outflow	(14,974)
Balance at 30 November 1995	£(254,406)

## 20. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Share Capital £	Long Term Loans £	HP Agreements £
Balance as at 1 December 1994	77,000	384,867	87,741
Repayment of long term loans	-	(373,455)	-
New long term loan	-	400,000	-
New HP agreements undertaken during the year	-	-	5,310
Repayment of capital element of HP agreements	-	-	(52,489)
Balance as at 30 November 1995	£77,000	£411,412	£40,562